

Deyaar Development (P.J.S.C)

Review report and unaudited interim condensed consolidated financial statements

30 June 2025

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF DEYAAR DEVELOPMENT (P.J.S.C)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Deyaar Development (P.J.S.C) (the “Company”) and its subsidiaries (together referred to as the “Group”), which comprise the interim condensed consolidated statement of financial position as at 30 June 2025, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-months and six-months periods then ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-months period then ended, and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *“Review of Interim Financial Information Performed by the Independent Auditor of the Entity”*. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young Middle East (Dubai Branch)



Wardah Ebrahim
Partner
Registration No.: 1258

30 July 2025

Dubai, United Arab Emirates

Deyaar Development (P.J.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
	Notes		
ASSETS			
Non-current assets			
Property and equipment	6	547,573	553,808
Right of use assets		1,708	1,708
Investment properties	7	925,514	883,393
Investments in a joint venture and an associate		1,371,068	1,378,864
Trade, contract and other receivables	8	305,573	224,926
Deferred tax asset		1,107	609
Equity investment at fair value through other comprehensive income		11,917	9,978
		3,164,460	3,053,286
Current assets			
Properties held for development and sale	9	1,159,263	956,082
Inventories		3,821	4,473
Trade, contract and other receivables	8	1,205,693	980,957
Advance for purchase of property		-	90,000
Due from related parties	10	2,293	4,045
Cash and bank balances	11	1,807,246	1,744,075
		4,178,316	3,779,632
Total assets		7,342,776	6,832,918
EQUITY			
Share capital	12	4,375,838	4,375,838
Legal reserve		105,897	105,897
Equity investment fair valuation reserve		(7,418)	(9,357)
Retained earnings		797,414	765,243
Equity attributable to equity holders of the parent		5,271,731	5,237,621
Non-controlling interests		44,126	27,376
Total equity		5,315,857	5,264,997
LIABILITIES			
Non-current liabilities			
Borrowings	13	405,994	415,296
Trade and other payables	15	2,377	3,169
Retentions payable		39,260	28,019
Lease liabilities		12,130	523
Provision for employees' end of service benefits		16,220	17,522
		475,981	464,529
Current liabilities			
Borrowings	13	60,000	60,000
Advances from customers	14	626,996	427,865
Trade and other payables	15	760,280	540,429
Income tax payable		50,607	32,107
Retentions payable		31,501	33,407
Lease liabilities		17,314	5,151
Provision for claims		4,136	4,136
Due to related parties	10	104	297
		1,550,938	1,103,392
Total liabilities		2,026,919	1,567,921
Total equity and liabilities		7,342,776	6,832,918

The interim condensed consolidated financial statements was approved on behalf of Board of Directors on 30 JUL 2025 by:

Abdulla Ali Obaid Al Hamli
Chairman

Saeed Al Qatani
Chief Executive Officer

The attached notes 1 to 20 form an integral part of this interim condensed consolidated financial statements.

Deyaar Development (P.J.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months period ended 30 June 2025

		Six months ended		Three months ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
	Note	AED'000	AED'000	AED'000	AED'000
		(Unaudited)		(Unaudited)	
Revenue		925,429	664,405	492,412	336,557
Direct costs		(600,614)	(446,726)	(319,129)	(226,371)
General, administrative and selling expenses		(138,624)	(124,927)	(67,938)	(63,409)
Other operating income		22,847	72,039	11,309	61,573
Finance cost		(18,790)	(24,581)	(8,880)	(11,365)
Finance income		16,049	13,995	6,902	7,303
Change in valuation of investment properties - net	7	11,113	-	11,113	-
Share of results from a joint venture and an associate		49,204	48,401	21,007	20,777
Profit for the period before tax		266,614	202,606	146,796	125,065
Income tax expense	20	(18,051)	(13,946)	(9,755)	(9,365)
Profit for the period after tax		248,563	188,660	137,041	115,700
Profit attributable to:					
Owners of the Company		250,963	188,660	137,936	115,700
Non-controlling interests		(2,400)	-	(895)	-
		248,563	188,660	137,041	115,700
Earnings per share – basic and diluted	19	Fils 5.74	Fils 4.31	Fils 3.15	Fils 2.64

The attached notes 1 to 20 form an integral part of this interim condensed consolidated financial statements.

Deyaar Development (P.J.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2025

	Six months ended		Three months ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)		(Unaudited)	
Profit for the period	248,563	188,660	137,041	115,700
Other comprehensive income				
<i>Items that will not be subsequently reclassified to profit or loss</i>				
Equity investment at fair value through other comprehensive income– net change in fair value	1,939	(61)	3,131	(162)
Total comprehensive income for the period	250,502	188,599	140,172	115,538
Attributable to:				
Owners of the Company	252,902	188,599	141,067	115,538
Non-controlling interests	(2,400)	-	(895)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	250,502	188,599	140,172	115,538

The attached notes 1 to 20 form an integral part of this interim condensed consolidated financial statements.

Deyaar Development (P.J.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2025

	Attributable to the equity holders of the parent						
	Share Capital AED'000	Legal reserve AED'000	Equity investments fair valuation reserve AED'000	Retained Earnings AED'000	Total AED'000	Non- controlling interests AED'000	Total equity AED'000
Balance at 1 January 2024	4,375,838	58,495	(15,295)	519,207	4,938,245	-	4,938,245
<i>Total comprehensive income for the period (unaudited)</i>							
Profit for the period	-	-	-	188,660	188,660	-	188,660
Other comprehensive income for the period	-	-	(61)	-	(61)	-	(61)
Total comprehensive income for the period (unaudited)	-	-	(61)	188,660	188,599	-	188,599
Adjustments to Board of Directors' remuneration [Refer Note 10 (b)]	-	-	-	(1,000)	(1,000)	-	(1,000)
Dividend payment to shareholders [Refer Note 12]	-	-	-	(175,034)	(175,034)	-	(175,034)
Balance at 30 June 2024 (unaudited)	4,375,838	58,495	(15,356)	531,833	4,950,810	-	4,950,810
Balance at 1 January 2025	4,375,838	105,897	(9,357)	765,243	5,237,621	27,376	5,264,997
<i>Total comprehensive income for the period (unaudited)</i>							
Profit for the period	-	-	-	250,963	250,963	(2,400)	248,563
Other comprehensive loss for the period	-	-	1,939	-	1,939	-	1,939
Total comprehensive income for the period (unaudited)	-	-	1,939	250,963	252,902	(2,400)	250,502
Capital contribution during the period	-	-	-	-	-	19,150	19,150
Dividend payment to shareholders [Refer Note 12]	-	-	-	(218,792)	(218,792)	-	(218,792)
Balance at 30 June 2025 (unaudited)	4,375,838	105,897	(7,418)	797,414	5,271,731	44,126	5,315,857

The attached notes 1 to 20 form an integral part of this interim condensed consolidated financial statements.

Deyaar Development (P.J.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2025

		Six months period ended	
		30 June 2025 AED'000 (Unaudited)	30 June 2024 AED'000 (Unaudited)
	Notes		
Profit for the period before tax		266,614	202,606
Adjustments for:			
Depreciation on property and equipment		9,457	10,079
Provision for employees' end of service benefits		2,046	2,999
Reversal of provision against properties held for development and sale		(124)	(5,051)
Impairment against trade receivables, contract and other financial assets		643	5,818
Finance income		(16,049)	(13,995)
Finance costs		18,790	24,581
Change in valuation of investment properties		(11,113)	-
Share of results from a joint venture and an associate		(49,204)	(48,401)
Operating cash flows before payment of employees' end of service benefits and changes in working capital		221,060	178,636
Payment of employees' end of service benefits		(3,348)	(943)
Changes in working capital:			
Property held for development and sale (net of project cost accruals)		(182,385)	54,231
Trade and other receivables		(308,699)	(48,627)
Advance for purchase of properties		90,000	-
Due from related parties		1,770	255,118
Inventories		652	2,083
Retentions payable		9,335	13,305
Advances from customers		199,131	63,524
Trade and other payables		219,020	6,249
Due to related parties		(193)	(143)
Net cash generated from operating activities		246,343	523,433
Cash flows from investing activities			
Additions to property and equipment		(4,615)	(3,599)
Addition to investment properties		(364)	(193)
Dividend from a joint venture and an associate		57,000	25,266
Repayment of contributed capital from joint venture		-	34,734
Net movement in term deposits with an original maturity greater than three months		12,782	(26,842)
Finance income received		18,704	9,201
Net cash generated from investing activities		83,507	38,567
Cash flows from financing activities			
Repayment of lease liabilities		(7,738)	-
Repayments of borrowings	13	(30,000)	(89,759)
Drawdown of borrowings	13	20,698	-
Finance costs paid		(18,065)	(25,542)
Dividends paid		(218,792)	(175,034)
Net cash used in financing activities		(253,897)	(290,335)
Net increase in cash and cash equivalents		75,953	271,665
Cash and cash equivalents, beginning of the period		1,563,455	878,744
Cash and cash equivalents, end of the period	11	1,639,408	1,150,409

The attached notes 1 to 20 form an integral part of this interim condensed consolidated financial statements.

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

1. Legal status and activities

Deyaar Development (P.J.S.C) (the “Company”) was incorporated and registered as a Public Joint Stock Company in the Emirate of Dubai, UAE on 10 July 2007. The registered address of the Company is P. O. Box 30833, Dubai, United Arab Emirates (“UAE”). The Company is listed on Dubai Financial Market, Dubai, UAE (Ticker: DEYAAR).

The ultimate majority shareholder of the Group is Dubai Islamic Bank (the “Ultimate Controlling Party”).

The principal activities of the Company and its subsidiaries (together, “the Group”) are property investment and development, leasing, facilities and property management services and hospitality related activities.

2. Basis of preparation and accounting policies

2.1 Basis of preparation

These interim condensed consolidated financial statements for the six months period ended 30 June 2025 have been prepared in accordance with IAS 34: *Interim Financial Reporting*. The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required for full year annual consolidated financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 December 2024. In addition, the results for the six months period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2025.

Certain comparative figures have been reclassified to conform to the presentation adopted in these interim condensed consolidated financial statements. The reclassification does not have any material effect on the interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows.

The interim condensed consolidated financial statements include the assets, liabilities and results from the operations of the Group’s subsidiaries:

<i>Name of entities subsidiaries</i>	<i>Country of incorporation</i>	<i>Effective ownership</i>		<i>Principle activities</i>
		<i>30 June 2025</i>	<i>31 December 2024</i>	
Deyaar Facilities Management LLC	UAE	100%	100%	Facility Management services
Nationwide Realtors LLC *	UAE	100%	100%	Brokerage and other related services
Deyaar Hospitality LLC	UAE	100%	100%	Property Investment and Development
Deyaar International LLC *	UAE	100%	100%	Real Estate Company
Deyaar Ventures LLC *	UAE	100%	100%	Property Investment and Development
Flamingo Creek LLC **	UAE	100%	100%	Property Investment and Development
Beirut Bay Sal **	Lebanon	100%	100%	Property Investment and Development
Deyaar West Asia Cooperatief U.A. **	Netherlands	100%	100%	Investment Holding Company
Deyaar Community Management LLC	UAE	100%	100%	Owners Association Management
Deyaar AL Tawassol Lil Tatweer Aleqare Co.***	KSA	-	100%	Property Investment and Development

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

2. Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

Name of entities subsidiaries	Country of incorporation	Effective ownership		Principle activities
		30 June 2025	31 December 2024	
Deyaar Property Management LLC	UAE	100%	100%	Property Management
Montrose L.L.C *	UAE	100%	100%	Buying, Selling and Real Estate Development
The Atria L.L.C	UAE	100%	100%	Hotel Management
Deyaar One Person Holding LLC*	UAE	100%	100%	Investment in Commercial/Industrial Enterprise & Management
Bella Rose Real Estate Development L.L.C	UAE	100%	100%	Buying, Selling and Real Estate Development
Nationwide Management Services LLC	UAE	100%	100%	District cooling services
Al Barsha LLC	UAE	100%	100%	Hotel & Hotel Apartments Rental
Mont Rose FZ-LLC (also holds registration as Millenium Montrose Hotel apartments LLC issued by Dubai economic Department)	UAE	100%	100%	Hotels & Leisure services
Deyaar Bay Real Estate Development	UAE	100%	100%	Buying, Selling and Real Estate Development
Rivage Property Development LLC	UAE	52%	52%	Property Investment and Development
Deyaar Umm Al Quwain Waterfront LLC	UAE	50%	-	Property Investment and Development
Joint Venture				
Arady Developments LLC	UAE	50%	50%	Property Investment and Development
Associate				
SI Al Zorah Equity Investments Inc.	Cayman Islands	22.72%	22.72%	Property Investment and Development

* These entities did not carry out any commercial activities during the period.

** These entities are under liquidation and did not carry out any commercial activities during the period.

*** This entity was liquidated during the period.

Fair Value Measurement

All financial assets and liabilities are stated at amortised cost or historical cost except for FVOCI investments and investment properties which are measured at fair value. The fair values of other financial assets and liabilities are not materially different from their carrying values at the reporting date.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(a) New and revised IFRSs and interpretations that are effective for the current period

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to IAS 21 relating to Lack of Exchangeability.

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

2. Basis of preparation and accounting policies (continued)

2.2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

(b) New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective, as at 30 June 2025 are disclosed below:

<u><i>New and revised IFRSs</i></u>	<u><i>Effective for annual periods beginning on or after</i></u>
Classification and Measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity- Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 <i>Presentation and Disclosures in Finance Statements</i>	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28 relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely.

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the interim condensed consolidated financial statements.

3. Estimates and assumptions

The preparation of the interim condensed consolidated financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

4. Financial risk management

The Group's activities potentially expose it to a variety of financial risks as follows:

- Market risk (including currency risk, price risk, cash flow and fair value interest rate risk)
- Credit risk and liquidity risk.

The interim condensed consolidated financial statements does not include all financial risk management information and disclosures required in the annual consolidated financial statement, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024. The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2024.

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

5. Segment information

Operating segment

The Board of Directors is the Group's chief operating decision maker. The Board considers the business of the Group as a whole for the purpose of decision making.

Management has determined the operating segments based on segments identified for the purpose of allocating resources and assessing performance. The Group is organised into three major operating segments: property development (includes sale of properties and leasing activities), properties and facilities management and hospitality related activities.

Management monitors the operating results of its operating segments for the purpose of making strategic decisions about performance assessment. Segment performance is evaluated based on operating profit or loss.

	Property development activities AED'000	Properties and facilities management AED'000	Hospitality AED'000	Total AED'000
<i>Six months period ended 30 June 2025 (unaudited)</i>				
Segment revenues – external	781,832	83,898	59,699	925,429
Segment profit	221,018	8,483	19,062	248,563
<i>Timing of revenue recognition</i>				
Transferred at a point in time	44,560	8,038	6,504	59,102
Recognised over a period of time	737,272	75,860	53,195	866,327
	781,832	83,898	59,699	925,429

	Property development activities AED'000	Properties and facilities management AED'000	Hospitality AED'000	Total AED'000
<i>Six months period ended 30 June 2024 (unaudited)</i>				
Segment revenues – external	530,119	76,067	58,219	664,405
Segment profit	164,382	5,921	18,357	188,660
<i>Timing of revenue recognition</i>				
Transferred at a point in time	106,503	6,569	6,012	119,084
Recognised over a period of time	423,616	69,498	52,207	545,321
	530,119	76,067	58,219	664,405

Revenue from property development activities, revenue from hospitality, properties and facilities management are recognised at a point in time as well as over time.

Geographic information

There are no assets located outside the United Arab Emirates as at 30 June 2025 (31 December 2024-audited: Nil).

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

6. Property and equipment

The property and equipment balance includes buildings, leasehold improvements, furniture and fixtures, office equipment, motor vehicles and capital work in progress.

Management have reviewed the valuations for all three hotels and believe that there is no material variance in the recoverable value as at 30 June 2025.

Land and buildings with a carrying value of AED 468.1 million (31 December 2024- audited: AED 468.7 million) are mortgaged under Islamic finance obligations (Note 13).

During the current period, the Group has reclassified a unit amounting to AED 1.4 million from properties and equipment to properties held for development and sale based on change in use of the unit (31 December 2024- audited: AED 1.6 million) (Note 9).

The Group has a policy of depreciating assets on a straight-line method, at rates calculated to reduce the cost of assets to their estimated residual value. The Group depreciates buildings for 50 years and furniture and fixtures from 5 to 15 years. Furthermore, the depreciation expense of the Group in the current period amounted to AED 9.5 million (30 June 2024- unaudited: AED10.1 million).

7. Investment properties

	Parking spaces	Stores Units	Retail units	Service Apartments	Others *	30 June 2025 Total	31 December 2024 Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Fair value hierarchy	3	3	3	3	3		
Fair value at the beginning of the reporting period/year	74,198	13,899	289,591	309,593	196,112	883,393	871,367
Additions/adjustments	-	-	126	-	31,011	31,137	7,466
Transfer (to)/from properties held for development and sale	-	(129)	-	-	-	(129)	4,560
Change in valuation	-	-	-	-	11,113	11,113	-
Fair value at the end of reporting period/year	74,198	13,770	289,717	309,593	238,236	925,514	883,393

* Includes mix use building, lease building and residential apartments.

All investment properties are located in United Arab Emirates and represent properties held at fair value and any fair value gain/loss under the fair value model is treated in accordance with IFRS Accounting Standards.

The Group has reclassified certain store units amounting to AED 0.1 million (31 December 2024- audited: AED Nil) to properties held for development and sale based on change in use of these units. The Group has not reclassified any units during the current period from properties held for development and sale (31 December 2024- audited: AED 4.6 million) (Note 9).

Investment properties with a carrying value of AED 488.2 million (31 December 2024- audited: AED 487.8 million) are mortgaged against bank borrowings (Note 13).

Management have reviewed the prior year valuations for all of its investment properties and believes that there is no material variance in the fair value of the Group's investment properties as at 30 June 2025 other than what has been disclosed in the above movement. However, the Management will conduct a comprehensive valuation exercise by the end of the year.

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

8. Trade, contract and other receivables

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Trade and unbilled receivables (refer (i) below)	1,119,563	812,093
Other receivables (refer (ii) below)	391,703	393,790
	1,511,266	1,205,883
Current	1,205,693	980,957
Non-current	305,573	224,926
Total	1,511,266	1,205,883
	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
<i>i. Trade and unbilled receivables</i>		
Trade receivables		
Amounts receivable within 12 months	159,705	165,271
Contract assets		
Unbilled receivables within 12 months	654,285	421,896
Unbilled receivables after 12 months	305,573	224,926
	1,119,563	812,093

The above trade receivables are net of provision for impairment amounting to AED 126.5 million (31 December 2024: AED 125.7 million) relating to trade receivables which are past due. All other trade receivables are considered recoverable.

ii. Other receivables

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Advances to contractors	108,751	132,399
Advances to suppliers	30,086	12,432
Prepayments and deferred project cost	164,973	160,465
Others	96,939	97,540
	400,749	402,836
Less: provision for impairment	(9,046)	(9,046)
	391,703	393,790

9. Properties held for development and sale

The properties held for development and sale include land held for future development, properties under development and completed properties held in inventory.

Net realisable value has been determined on the basis of committed sale price if the remaining receivable amount is lower than the current market value of the units booked by customers. For units not yet booked by customers, net realisable value takes into consideration the expected market prices.

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

9. Properties held for development and sale (continued)

During the current period, the Group has reclassified a unit amounting to AED 1.4 million from properties and equipment to properties held for development and sale based on change in use of the unit (31 December 2024- audited: AED 1.6 million) (Note 5).

The Group has reclassified certain store units amounting to AED 0.1 million (31 December 2024- audited: AED Nil) from investment properties based on change in use of these units. The Group has not reclassified any units to investment properties during current period (31 December 2024- audited: AED 4.6 million) (Note 7).

Plots of land including under development projects with total carrying value of AED 452.7 million (31 December 2024- audited: AED 444 million) and completed properties with total carrying value of AED 35.2 million (31 December 2024- audited: AED 35.2 million) are mortgaged under Islamic finance obligations (Note 13).

In the current period, the Group has recognised an amount of AED 524.4 million (for the year ended 31 December 2024- audited: AED 852.9 million and for the six months period ended 30 June 2024- unaudited: AED 367 million) included in the profit or loss under “direct costs” against revenue recognised of AED 755.5 million (for the year ended 31 December 2024- audited: AED 1,193.9 million and for the six months period ended 30 June 2024- unaudited: AED 505.3 million).

For plots of land held for future development and use amounting to AED 784.8 million as at the reporting date (31 December 2024- audited: AED 548.8 million), management is currently evaluating feasibility of the projects and considering alternative viable profitable options as well as various offers from potential buyers.

10. Related party transactions and balances

Related parties include the significant shareholders, key management personnel, associates, joint ventures, directors and businesses which are controlled or jointly controlled, directly or indirectly, by the significant shareholders or directors or over which they exercise significant management influence.

(a) Related party transactions

During the period, the Group entered into the following significant transactions with related parties in the normal course of business and at prices and terms agreed by the Group’s management:

	Six months period ended 30 June 2025		Three months period ended 30 June 2025	
	AED’000	30 June 2024 AED’000	AED’000	30 June 2024 AED’000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Ultimate majority shareholder				
Other operating income/finance income	6,180	9,516	2,627	5,464
Finance cost	(13,027)	(16,630)	(5,924)	8,101
Borrowings drawdown	20,369	-	10,838	-
Borrowings repayment	(30,000)	(89,759)	(15,000)	(50,959)
Joint venture				
Other operating income	1,242	236	580	146
Dividend income	55,000	25,266	55,000	-
Repayment of contributed capital	-	34,734	-	-
Associate				
Dividend Income	2,000	-	-	-

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10. Related party transactions and balances (continued)

(b) Remuneration of key management personnel

	Six months period ended		Three months period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and other short-term employees' benefits	6,005	7,016	2,793	3,464
Termination and post-employment benefits	138	301	60	215
Board of Directors remuneration*	3,075	-	3,075	-
Board of Directors sitting fees	275	100	150	31
	9,493	7,417	6,078	3,710

*During the current period, the management started to accrue for Board of Directors remuneration for the year ending 31 December 2025 and recognise this remuneration in the interim condensed consolidated statements of profit or loss. During prior periods/years, the management used to recognise this remuneration directly in the interim condensed consolidated statements of changes in equity/consolidated statements of changes in equity.

During the current period, an additional provision for the Board of Directors' remuneration amounting to AED 0.9 million was recognised in the interim condensed consolidated statements of profit or loss pertaining to the previous year based on the final approval of the shareholders in the Annual General Meeting dated 16 April 2025 (*during the six months period ended 30 June 2024: AED 1 million in the interim condensed consolidated statements of changes in equity*).

(c) Due from related parties comprises

	30 June 2025	31 December 2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Current		
Due from ultimate majority shareholder	1,346	1,346
Due from a joint venture	903	2,673
Due from other related parties	1,410	1,410
	3,659	5,429
Less: provision for impairment	(1,366)	(1,384)
	2,293	4,045

Cash and bank balances include amounts held with the ultimate majority shareholder of the Group, bank account balances of AED 329.4 million (*31 December 2024- audited: AED 159.5 million*) and fixed deposits of AED 484 million (*31 December 2024- audited: AED 565 million*), at market prevailing profit rates.

Impairment provision

To determine the provision for impairment, management applied certain key assumptions and judgments in accordance with *IFRS 9 - Financial Instruments* in order to determine the expected credit loss which includes the use of various forward-looking information that could impact the timing and/or amount of recoveries.

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10. Related party transactions and balances (continued)

(d) Due to related parties comprises:

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Current		
Due to ultimate majority shareholder	1	196
Due to other related party	103	101
	104	297

At 30 June 2025, the Group had bank borrowings from the ultimate majority shareholder of AED 415.4 million (31 December 2024- audited: AED 424.8 million), at market prevailing profit rates (Note 13).

11. Cash and bank balances

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Cash in hand	429	493
Current accounts	1,261,689	939,267
Fixed deposits	546,000	805,881
	1,808,118	1,745,641
Less: provision for impairment	(872)	(1,566)
Cash and bank balances, net	1,807,246	1,744,075
Less: term deposits with an original maturity greater than six months	(167,838)	(180,620)
Cash and cash equivalents	1,639,408	1,563,455

Bank accounts include a balance of AED 1,191.9 million (31 December 2024- audited: AED 844.4 million) and fixed deposits of AED 310 million (31 December 2024- audited: AED 278 million) at market prevailing profit rates held in escrow accounts.

These Escrow accounts include project escrow accounts where amounts are collected against sale of properties and are available for payments relating to construction of development properties.

Bank accounts balance excludes a balance of AED 116.4 million (31 December 2024- audited: AED 114.6 million), held in a fiduciary capacity in escrow accounts on behalf and for the beneficial interest of third parties. These Escrow accounts include Community Management Escrow accounts of various properties where service charges are collected from owners and are available for payments for management and maintenance of the properties.

12. Share capital

At 30 June 2025, share capital comprised of 4,375,837,645 shares (31 December 2024- audited: 4,375,837,645 shares) of AED 1 each. All shares are authorised, issued and fully paid up.

The shareholders have approved in the Annual General Meeting dated 16 April 2025 dividends on ordinary shares amounting to AED 218.8 million [AED 5 fils per share] and the same has been paid during the period (2024: AED 175.04 million [AED 4 fils per share]).

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For the six months period ended 30 June 2025

13. Borrowings

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Islamic finance obligations		
Current	60,000	60,000
Non-current	405,994	415,296
Total borrowings	465,994	475,296
		AED'000
1 January 2024		644,317
Drawdown		3,296
Repayments		(172,317)
31 December 2024 (Audited)		475,296
1 January 2025		475,296
Drawdown		20,698
Repayments		(30,000)
30 June 2025 (Unaudited)		465,994

Islamic finance obligations represent Ijarah and other Islamic facilities obtained from Dubai Islamic Bank (P.J.S.C) (ultimate majority shareholder) amounting to AED 415.4 million (31 December 2024: AED 424.8 million) [Note 10(d)], and balance from other local banks. The facilities were availed to finance the properties under construction and working capital requirements

Islamic finance obligations with the ultimate majority shareholder and other local banks carry market prevailing profit rates and are repayable in quarterly instalments over a period of two years to ten years from the reporting date (31 December 2024- audited: two years to eight years). These facilities have AED 453 million available for drawdown to the Group.

Islamic finance obligations are secured by mortgages over properties classified under properties held for development and sale amount to AED 487.9 million (31 December 2024: AED 479.2 million) (Note 9), property and equipment amount to AED 468.1 million (31 December 2024: AED 468.7 million) (Note 6) and investment properties amount to AED 488.2 million (31 December 2024: AED 487.8 million) (Note 7).

14. Advances from customers

Advances from customers comprise of payments received from sale of properties. The revenues have not been recognised in the interim condensed consolidated statements of profit or loss, in line with the revenue recognition policy of the Group consistent with the IFRS Accounting Standards.

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For the six months period ended 30 June 2025

15. Trade and other payables

Trade and other payables include trade payables in normal course of business and provision relating to claims made by third parties and customers against the Group. This includes legal claim made by customers against the Group for refund of partial payments made to purchase certain property units. In accordance with Law No. 13 of 2008 and its subsequent amendment through Law No. 9 of 2009 applicable in the Emirate of Dubai, the Group had earlier forfeited amounts due to failure of customers to pay the outstanding balances as per the Sale and Purchase Agreement. The provisions are based on management's best estimate after considering the potential cash flows in respect of the claim on a case by case basis.

16. Commitments

At 30 June 2025, the Group had total commitments of AED 485.3 million (*31 December 2024- audited: AED 795.4 million*) with respect to project related contracts issued net of invoices received and accruals made at that date.

17. Contingencies

Contingent liabilities

At 30 June 2025, the Group has contingent liabilities in respect of performance bond and guarantees issued by banks, in the ordinary course of business, amounting to AED 535.2 million (*31 December 2024- audited: AED 517.5 million*), which mainly includes performance guarantees of AED 519.2 million (*31 December 2024- audited: AED 500.1 million*) issued to Real Estate Regulatory Authority (RERA) for the projects under development. Also, the Group has contingent liabilities, on behalf of a subsidiary (under liquidation), in respect to guarantees issued by a bank amounting to AED 3.4 million (*31 December 2024- audited: AED 3.4 million*). The Group anticipates that no material liabilities will arise from these performance and other guarantees.

Legal claims

The Group is also a party to certain legal cases in respect to various potential claims from customers and, where necessary, makes adequate provisions against any potential claims. Such provisions are reassessed regularly to include significant claims and instances of potential litigations. Based on review of opinion provided by the legal advisors/internal legal team, management is of the opinion that no material cash outflow in respect of these claims is expected to be paid by the Group in these legal cases over and above the existing provision in the books of accounts. The Group has elected not to present the complete disclosures as required by IAS 37 "*Provision and Contingent Liabilities and Contingent Assets*" as management is of the view that since the legal claims are sub-judice and are disputed, therefore this information may be prejudicial to their position on these matters.

Certain other contingent liabilities may arise during the normal course of business, which based on the information presently available, either cannot be quantified at this stage or in the opinion of the management is without any merit. However, in the opinion of management, these contingent liabilities are not likely to result in any cash outflows for the Group.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended 30 June 2025

18. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Amortised cost	Equity instrument at fair value through other comprehensive income	Total
30 June 2025 (unaudited)	AED'000	AED'000	AED'000
<i>Assets as per interim condensed consolidated statement of financial position</i>			
Equity instrument at fair value other comprehensive income	-	11,917	11,917
Trade, contract and other receivables excluding prepayments and advances	1,207,456	-	1,207,456
Due from related parties	2,293	-	2,293
Bank balances	1,806,819	-	1,806,819
	3,016,568	11,917	3,028,485
<i>Liabilities as per interim condensed consolidated statement of financial position</i>			
Trade and other payables	762,657	-	762,657
Lease liabilities	29,444	-	29,444
Due to related parties	104	-	104
Retentions payable	70,761	-	70,761
Borrowings	465,994	-	465,994
	1,328,960	-	1,328,960
	Amortised cost	Equity instrument at fair value through other comprehensive income	Total
31 December 2024 (audited)	AED'000	AED'000	AED'000
<i>Assets as per interim condensed consolidated statement of financial position</i>			
Equity instrument at fair value other comprehensive income	-	9,978	9,978
Trade, contract and other receivables excluding prepayments and advances	900,587	-	900,587
Due from related parties	4,045	-	4,045
Bank balances	1,743,582	-	1,743,582
	2,648,214	9,978	2,658,192
<i>Liabilities as per interim condensed consolidated statement of financial position</i>			
Trade and other payables	543,598	-	543,598
Lease liabilities	5,674	-	5,674
Due to related parties	297	-	297
Retentions payable	61,426	-	61,426
Borrowings	475,296	-	475,296
	1,086,291	-	1,086,291

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For the six months period ended 30 June 2025

18. Financial instruments by category (continued)

The following table presents the Group's financial assets that are measured at fair value, by valuation method:

	Level 1 AED'000	Total AED'000
As at 30 June 2025 (unaudited)		
Equity instrument at fair value through other comprehensive income	11,917	11,917
As at 31 December 2024 (audited)		
Equity instrument at fair value through other comprehensive income	9,978	9,978

The carrying value less impairment provision of trade receivables, contract assets, due from related parties, bank balances and long term fixed deposit is assumed to approximate their fair values keeping in view the period over which these are expected to be realised. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Other receivables and payables approximate their fair values.

19. Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period. There were no instruments or any other items which could cause a dilutive effect on the earnings per share calculation:

	Six months period ended		Three months period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit after tax for the period attributable to the owners of the Company (AED'000)	250,963	188,660	137,936	115,700
Weighted average number of ordinary shares ('000)	4,375,838	4,375,838	4,375,838	4,375,838
Earnings per ordinary share - Basic and Diluted (Fils)	5.74	4.31	3.15	2.64

20. Income tax expense

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

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20. Income tax expense (continued)

On 23 May 2023, the International Accounting Standards Board (the Board) issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 which clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements Qualified Domestic Minimum Top-up Taxes. Furthermore, on 31 December 2024, Cabinet Decision No. (142) of 2024 was issued, introducing a Domestic Minimum Top-up Tax in the UAE. This is not yet applicable for the current reporting year, as the Group's consolidated revenue remains below the threshold of €750 million. However, since the Pillar Two rules are applicable to the Ultimate Controlling Party, and the Group is consolidated within its financial statements, the rules are considered applicable to the Group. Accordingly, the Group is currently assessing the potential impact on its consolidated financial statements.

Amount recognised in the consolidated statement of profit or loss

The major components of income tax expense for the period ended 30 June 2025:

	Six months period ended		Three months period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax expense	18,622	13,946	9,929	9,365
Deferred tax income	(571)	-	(174)	-
Income tax expense recognised in the interim condensed consolidated statement of profit or loss	18,051	13,946	9,755	9,365

Tax reconciliation:

	Six months period ended	
	30 June 2025	30 June 2024
	(In AED '000)	(In AED '000)
	(Unaudited)	(Unaudited)
Accounting profit before tax	266,614	202,606
Share of profit from an associate and a joint venture	(49,204)	(48,401)
Change in valuation of investment properties	(16,497)	-
Dividend income	(440)	-
Non-deductible expenses	738	1,125
Standard exemption	(375)	(375)
Profit exempt from tax	(271)	-
Net taxable profit	200,565	154,955
Net income tax expense recognised in the interim condensed consolidated statements of profit or loss at United Arab Emirates' statutory income tax rate of 9%	18,051	13,946
Income tax credit arising on loss from a subsidiary	(571)	-
Income tax expense	18,622	13,946
Accounting profit before tax	266,614	202,606
Effective tax rate	6.8%	6.9%